A Supervisor's Guide For Performance Management

U.S. Department of Labor
Office of the Assistant Secretary for
Administration and Management
Directorate of Personnel Management

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A SUPERVISOR'S GUIDE FOR PERFORMANCE MANAGEMENT

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INTRODUCTION

Purpose of Performance Management

The Department of Labor (DOL) Performance Management Plan is designed to strengthen the linkage between performance, pay and awards and to integrate these systems with basic management functions.

Increases to basic pay (within-grade increases and quality step increases) and awards (performance and superior accomplishment) must be based on performance ratings. Performance ratings in turn are based on job-related performance elements and standards reflecting appropriate levels of difficulty, tied to the Secretary's goals for the Department.

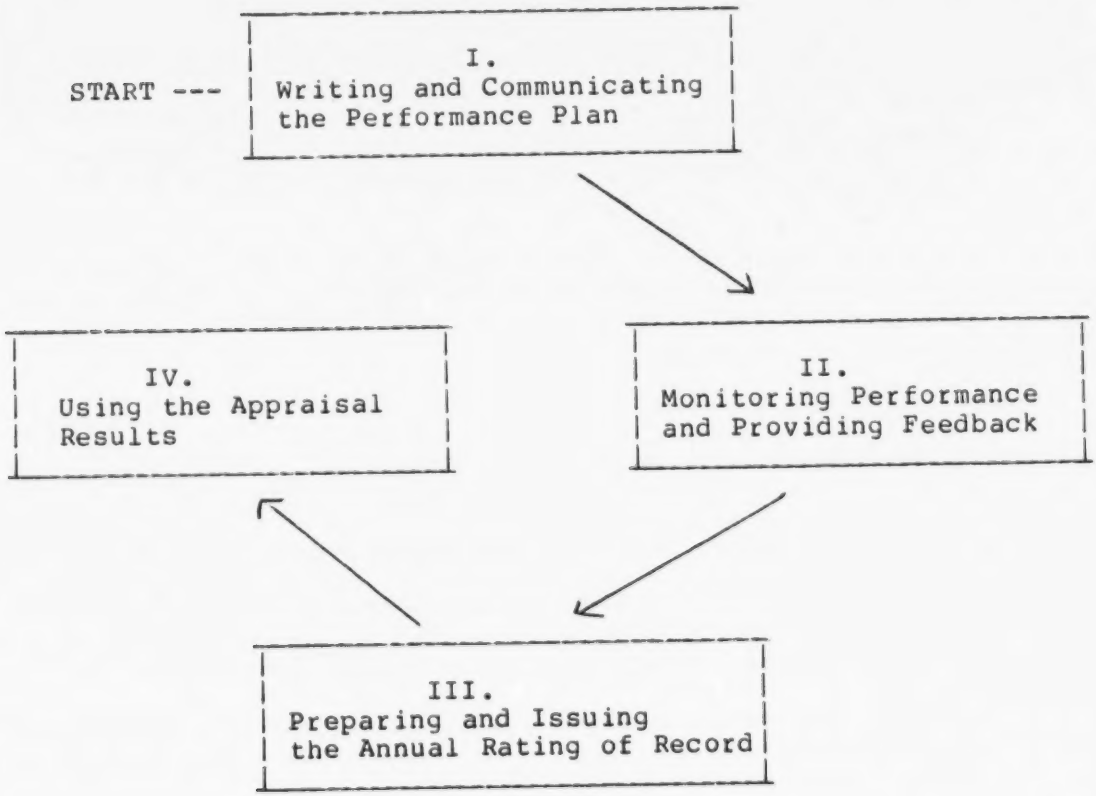
Performance management is a tool for supervisors to use to increase the likelihood of high quality work and accomplishment of DOL goals. This is a how-to booklet for you, the supervisor.

Specifically, the performance management process is used to:

- document work plans and objectives,
- tell employees what work results are expected,
- hold employees accountable for the accomplishment of goals and objectives,
- monitor and evaluate work accomplished, and
- adjust basic pay and determine awards, training, reassignments, promotions, reductions in grade, retention, and removals.

Performance Appraisal Process

The performance appraisal process parallels the sections of this booklet as follows:



I. WRITING THE PERFORMANCE PLAN

Requirements of Performance Plans

Performance plans should consist of critical elements (at least one) and noncritical elements and corresponding performance standards. DOL performance standards are written at the satisfactory (meets) level only.

The following requirements must also be kept in mind:

-- Each critical and noncritical element must focus on results and be stated in terms of a desired outcome or work product.

-- Performance standards must be related to the employee's assigned work and be based on the requirements of the position.

-- The core areas of organizational objectives, supervisory effectiveness and technical ability must be included in the performance plan, when appropriate to the job.

Developing the Plan

The process of developing individual performance plans includes three major steps:

-- **identifying job elements** - The categories or kinds of work to be performed by the employee must be defined.

-- **setting the performance standards** - This is a statement of what an employee must do to accomplish the objectives of the job.

-- **adjusting to change** - Plans must be modified when there are significant changes in duties, resources or priorities.

To develop a performance plan, you will need to know what work needs to be done and the required methods and procedures for accomplishing it.

Sources of Information for Performance Plans

-- organizational goals and objectives,

-- management work plans, such as MBO's,

-- management initiatives,

-- the position description,

-- manuals and operating guides,

-- related performance plans,

-- your experience with the work, and

-- your experience with and discussions with the employee.

Determining Job Elements

All these sources of information can be used to determine job elements. However, one of the best sources is the employee. In addition to the benefit of getting valid information, you will find that when employees have been involved in the planning process, they are much more likely to be committed to achieving the goals.

The steps for determining job elements are as follows.

(1) List the job tasks.

(2) Cluster the job tasks into elements.

(3) Separate recurring and non-recurring job elements.

(4) Reduce the list to approximately six elements.

(5) Identify the critical and non-critical elements.

A discussion of each of these steps follows.

Step 1. List the Job Tasks.

Decide what work needs to be done. Write down each job task in a short, direct statement, using active verbs and objects. Brainstorm as many tasks as you can. Don't edit, criticize, organize or analyze. You will refine the list later.

Example: Establishes office files.

Files and retrieves documents.

When your list has become lengthy and your ideas stop flowing, go back and analyze the list. Weed out all those tasks that don't seem relevant or important. As you will see, it's much easier to cut down a list than build one up.

Step 2. Cluster Job Tasks Into Job Elements.

Review your final list of important job tasks and notice how they could be sorted into categories or clusters. There may be categories of outputs or actions, or there may be a chronology or cycle of events that can be grouped together. Group these similar and related duties to form clusters of tasks. These clusters will become the job elements.

Example:

Job Tasks	Job Element
Opens incoming mail.	Handles mail.
Distributes mail to appropriate staff.	
Selects items to be handled personally.	

Step 3. Separate Recurring and Non-recurring Job Elements.

Group the job elements into recurring and non-recurring elements. Non-recurring job elements may include work on a special project

during the appraisal year. You will probably want to eliminate non-recurring elements from your list.

Step 4. Reduce the List to Approximately Six Elements.

Performance plans should contain no more than approximately six elements. Job elements communicate your relative priorities for the work and help the employee to make decisions in line with your work needs. Too many elements will force the employee to set his or her own priorities, which may not be yours. Also, a lengthy performance plan is unnecessary work for you.

If your list is longer than six, you will want to either list the elements in order of priority and keep the six most important, or reduce the list by further clustering.

As you complete the list, ask yourself the following questions about each element. Is this element -

(1) **purposeful/goal oriented?** Does it contribute to work unit objectives?

(2) **required to do the job?** Does it reflect the duties and responsibilities of the job and the work assigned to the employee?

(3) **observable (and/or measurable)?** Does it identify job-related behaviors, tasks and outcomes and not traits, knowledges, skills, or abilities?

(4) **a significant component of the job?** Is it important enough and done often enough to make it worth appraising?

(5) **distinguishable from other performance elements?** Does it stand on its own? It is clearly different from other elements?

(6) **within the employee's control?**

If the answer is "no" to any of these questions, consider eliminating the element.

Step 5. Identify the Critical and Noncritical Elements.

A "yes" answer to all the following 5 questions will indicate whether the element is critical.

(1) Is the element a major part of the job?

(2) Does the element require a significant amount of the employee's time on the job?

(3) If the element were not included, would the work of your office be adversely affected?

(4) Does unacceptable performance on the element have serious consequences?

(5) Would continued unacceptable performance of this element warrant removal or demotion?

Review your list and identify the critical and noncritical elements.

Writing Performance Standards

DOL performance standards are written at the satisfactory (meets) level only for all critical and noncritical elements. **Elements** describe **what** an employee is to do. **Standards** describe **how well** he/she must do it in order to accomplish the work objectives. The standard should clearly state what is expected of an employee to meet requirements and must be written at an appropriate level of difficulty.

Establish one performance standard for each identified job element. Include the following, if appropriate to the element.

Quality -- how **well** the work must be done.

Quantity -- how **many** outputs, products, reports must be completed.

Timeliness -- **when** the work must be done.

Keep in mind the following guidelines for establishing performance standards.

-- Performance standards must be related to the employee's assigned work and based on the requirements of the position.

-- The standard must be exceedable, observable, measurable, reasonable, understandable, and cost-effective.

-- The employee must have the authority to act and the opportunity to act.

-- The standards will be described in qualitative, observable terms and insofar as is practicable, such measurable terms as the supervisor determines are appropriate.

-- Quantifiable aspects of the work are not to be overemphasized at the expense of more important qualitative aspects. Management judgments regarding the quality of work are required.

-- The reporting systems must be adequate to provide any quantitative data listed.

-- The accomplishment of organizational objectives should be included in performance plans where appropriate by incorporating objectives, goals, program plans, and results. Objectives may be for the purpose of increasing efficiency, productivity, quality of work or services, reduction of costs and paperwork, responsiveness or courtesy to the public.

-- The following factors are to be included in the performance plans for supervisors, as appropriate:

  - leadership (effectiveness in planning, organizing, communicating, maintaining effective working relationships, developing and appraising staff);

  - representational responsibilities with other organizations;

  - implementing occupational safety and health regulations;

  - dealing effectively with labor management requirements;

- carrying out EEO responsibilities (a required element);

- properly utilizing the staff and dollar resources of the organization to accomplish approved objectives; and

- safeguarding the resources of the organization through implementation of necessary internal control.

-- Technical ability should be included where appropriate, which includes the employee's ability to apply and communicate the program and technical knowledge of the job.

Employee Participation in the Development of Performance Plans

Encourage employees to participate to the extent practicable in developing the performance plan. Final authority for establishing the plan rests with you, the supervisor.

The following methods may be used to obtain employee participation.

-- The employee and supervisor discuss and develop the performance plan together.

-- The employee provides the supervisor with a draft performance plan and the supervisor responds.

-- The employee comments on a draft performance plan prepared by the supervisor and the supervisor responds.

-- The performance plan is drafted by a group of employees occupying similar positions and the supervisor responds.

-- Guidance is prepared by the Agency on common elements and standards for similar positions. These are revised based on the employee's assigned duties by the supervisor with the participation of the employee.

Review of Performance Plans

The performance plans must be reviewed by a higher level official and communicated to the employee at the beginning of each appraisal period (normally within 30 days). A copy of the plan is given to the employee and you keep the original.

II. MONITORING PERFORMANCE AND PROVIDING FEEDBACK

What is Performance Monitoring?

Monitoring performance is observing and collecting data on the work results described in the performance standards. You will need this information at the end of the appraisal period. Frequent monitoring of performance is helpful in identifying problems early in the appraisal period. In addition, monitoring will alert you when elements and standards need to be adjusted and revised.

Keeping Documentation

The following documentation methods can be used alone or in combination. Use the computer whenever possible to help you track activities.

-- **log sheets** - Log sheets containing information about the employee's activities are kept by the employee and are submitted to the supervisor periodically for review.

-- **work sampling** - Work products are randomly observed and evaluated.

-- **project or product files** - All final products are kept and evaluated. The supervisor can develop a checklist of the items to evaluate.

-- **critical incident files** - Narrative descriptions of unusually positive or negative incidents are kept.

-- **project tracking** - A project is monitored at established target dates and on these dates the quality of the results are evaluated.

-- **employee self-reporting** - The employee keeps narrative summaries of the work activities on a weekly or monthly basis.

Revising Performance Plans

Performance plans are not written in concrete. They may be changed at any time during the appraisal period when duties, responsibilities, resources or priorities change significantly. Encourage the employee to participate in the revision. The new or revised plans become effective at the time the revisions are approved by the reviewing official(s). Again, a copy is given to the employee and you keep the original.

Feedback and Progress Reviews

Provide regular performance feedback to each employee during the appraisal period. Informal feedback gives the employee information on his or her performance as measured against the established performance standards. Such feedback should reflect the employee's performance at the time of the discussion between you and the employee.

Frequent feedback is important for the following reasons.

-- Employees needs to know how they are doing.

-- Performance that does not meet requirements can be identified early and steps taken to assist the employee to improve, such as regular and careful review of the work or on-the-job and classroom training.

-- Employees are given the opportunity to provide you with information about the work.

-- Questions that have arisen from changes in priorities or unforeseen workloads can be identified and resolved.

-- Changes in priorities can be addressed and may necessitate changes to the performance plan.

The progress review is a more structured feedback and does not replace **frequent** informal feedback. You should let the employee know your observations immediately rather than wait for the progress review.

The progress review is conducted at least once during the appraisal period. At a minimum, during the progress review, inform the employee orally of his/her level of performance by

comparison with the elements and standards established for the position. Formal ratings (element and/or summary) are not given as a result of the progress review.

Progress reviews for employees in positions outside the bargaining units and in the unions represented by NCFLL and NUCO are held approximately half-way through the rating period, but no later than 120 days before the end of the rating period.

The four steps in the progress review process are:

-- **Preparing for the meeting** - Using your collected data, assess work performance in relation to the established standards. Decide what you want to accomplish in the meeting and select a strategy to reach your goal. Finally, schedule the meeting and inform the employee.

-- **Conducting the meeting** - After establishing the climate and purpose of the meeting, review the employee's elements and standards, provide information on his/her performance, and solicit input from the employee. If there are any problems, discuss possible solutions. When you conclude the meeting, state your understanding of the outcomes of the meeting and ask the employee to state his or hers. Then state any actions you intend to take and what actions you expect of the employee.

-- **Evaluating the meeting** - Ask yourself whether you accomplished what you intended.

-- **Follow-up action** - Set up any follow-up meetings.

Interim Summary Ratings and Performance Statements

You prepare an interim summary rating for an employee when there is a significant change in the employee's performance plan as a result of a change of positions, duties, program objectives or priorities, if the employee has served for the minimum 90-day appraisal period. You should give the employee and the servicing personnel office a copy and keep the original. A career ladder promotion is such a change and when promoted, the employee should be rated on the old plan and placed on a new plan.

When an employee is detailed or temporarily promoted/reassigned to your supervision for 120 days or longer, put the employee on a performance plan with critical elements and performance standards

only and prepare a rating of elements at the end of the assignment. If the assignment will be less than 120 days, state orally or in writing what is expected of the employee and prepare a written statement for the permanent supervisor at the end of the assignment giving performance information. The employee also receives a copy of the statement.

Close-out Ratings

You are required to prepare a summary rating when an employee under your supervision moves to a new Federal agency or moves within the Department and there is a significant change in elements and standards. Such summary ratings are taken into consideration when preparing the next rating of record.

Cumulative Rating of Record

All interim ratings and other performance information are taken into account when assigning the next annual rating of record. In reviewing this other performance information, take into consideration such factors as level of performance, nature and level of duties and responsibilities of the assignments, importance to accomplishment of organizational goals, and the length of time spent. If this information changed the rating of record, explain this on the rating form in the space provided.

Extension of the Rating Period

You may be unable to rate an employee at the end of the appraisal period because the employee has served less than 90 days under elements and standards during the appraisal period for such reasons as long-term training, and approved absence including LWOP. In such cases, extend the appraisal period for the amount of time necessary to meet the 90-day minimum appraisal period, at which time prepare a rating of record.

Performance Improvement Actions

When an employee fails to meet the performance standards on one or more elements (critical elements for employees in the bargaining units represented by NCFLL and Local 12), you should notify the employee as early as possible and initiate steps to help the employee meet the standards. Your efforts may include regular and careful review of work or on-the-job or classroom training. If such informal efforts fail to improve performance, you should develop a Performance Improvement Plan (PIP) and give the employee ratings on the specific elements involved (not a summary rating). You should secure the assistance of the personnel office before initiating a PIP.

A PIP may be initiated without previous informal efforts to improve performance depending on the circumstances. The employee must be given the opportunity to comment on the PIP prior to its implementation. Final authority for establishment and the content of the PIP rests with supervisory officials.

The PIP period lasts a minimum of 90 days and is designed to give the employee a reasonable opportunity to improve to an acceptable level. To initiate the PIP, you complete DL Form 1-2036 indicating what the employee must do to bring performance up to the Meets level on those elements where deficient (and what constitutes performance at the retention level if the employee is at the Fails to Meet level on an element). The results the employee is expected to achieve must be sufficiently specific to provide a firm benchmark toward which the employee can direct performance.

You should also list what assistance you will provide, such as counseling, on-the-job and classroom training. You are to refer to both the Meets and the Needs to Improve level where appropriate in counseling sessions, written instructions or in any other manner calculated to apprise the employee of the requirements against which he/she is to be measured.

In a memorandum transmitting the PIP, you will inform the employee of the specific performance reasons for the PIP, its purpose, and the consequences of being rated less than Meets on an element(s) at the end of the PIP period. This might be reassignment, reduction in grade, removal, or denial of a within grade increase.

You may extend the PIP period if circumstances warrant an extension. At the conclusion of the PIP, where the element rating(s) improves to or remains at the Needs to Improve level,

if the employee is not reassigned, you may at your option require the employee to undergo an additional PIP period.

If during a PIP, the performance of an employee rated Needs to Improve on one or more critical elements falls to Fails to Meet on a critical element, a new PIP must be initiated.

When an employee is serving under a PIP at the end of the appraisal period, the appraisal period must be extended for the amount of time necessary to complete the PIP.

III. PREPARING AND ISSUING THE ANNUAL RATING OF RECORD

Appraising Each Element

Review the work records and documentation that you have been keeping. As a check, ask the employee to list all major assignments under each element. The employee must be appraised against the standard on each critical and noncritical element of the performance plan(s) on which the employee has performed. If you have not given the employee an opportunity to perform the work, he/she should not be rated on the element.

The following four rating levels are used to rate performance on each element for **employees in positions outside the bargaining units and in the union bargaining units represented by NCFLL and NUCO:**

-- **Exceeds** - when the employee exceeds the described level of performance in the standard for the element;

-- **Meets** - when the employee meets the described level of performance in the standard for the element;

-- **Needs to Improve** - when the employee needs to improve in order to meet the described level of performance in the standards for the element, but performance is above Fails to Meet; and

-- **Fails to Meet** - when the employee fails to meet the described level of performance in the standard for the element.

The levels for **employees in the bargaining unit represented by Local 12** are designated Greatly Exceeds, Exceeds, Meets, Falls Slightly Below and Fails to Meet.

You must provide a narrative description of performance to support all ratings for each element. When the element is rated at the Meets level for positions outside the bargaining units, however, the narrative is optional.

When reviewing actual performance against the standards, watch for the following.

Employee Comparisons - Do not evaluate an employee in relation to other employees rather than appropriately evaluating against the performance standards.

Generalizing - When an individual has exceeded standards on one assignment, do not inappropriately generalize this expectation for other performance.

Recency - Consider work accomplished throughout the entire rating period and do not give inappropriate credit to the most recent work completed.

Preparing the Rating of Record

The rating of record is the summary rating given on an annual basis at the end of the appraisal period. All interim ratings and written performance information given during the year must be taken into consideration in deriving the summary rating.

Use the summary ratings and definitions in the following chart to prepare the rating of record.

	NCPLL BARGAINING UNIT	LOCAL 12 BARGAINING UNIT	OUTSIDE THE BARGAINING UNITS AND NUCO BARGAINING UNIT
Outstanding	Exceeds all critical elements, and 50% or more of the other elements, with none rated below Meets.	Exceeds all critical elements and 50% or more noncritical elements, with none rated below the standard.	Exceeds all critical elements and 50% or more noncritical elements with none rated below Meets.
Highly Effective	Exceeds 50% or more critical elements, with none rated below meets.	Exceeds 50% or more of the critical elements, with no element rated below the standard.	Exceeds 50% or more critical elements with no elment rated below Meets.
Fully Successful (Acceptable-Local 12)	Meets all critical elements.	Meets all critical elements.	Meets all critical elements and Meets 50% or more noncritical elements with none rated below Needs to Improve.
Minimally Satisfactory	One or more critical elements is slightly below standard.	One or more critical elements is slightly below standard.	Needs to Improve in one or more critical elements (with none lower) and/or Needs to Improve in more than 50% of the noncritical elements or Fails to Meet one or more noncritical elements.
Unacceptable	Fails to Meet one or more critical elements.	Fails to meet one or more critical elements of the job.	Fails to Meet one or more critical elements.

Higher Level Reviews

The ratings of record must be reviewed and approved by a higher level official and the official who manages the performance awards budget. Approval of the reviewing official(s) must be obtained prior to your discussing the tentative rating with the employee.

Conducting the Appraisal Meeting

Just as you did for the progress review meeting, you must prepare for the appraisal meeting. This is an opportunity for you and your employees to discuss the work progress. During the appraisal meeting, you discuss your tentative conclusions regarding the rating with the employee.

The following steps can be used for the appraisal meeting.

Opening

-- Set a constructive, positive tone and put the employee at ease as much as possible.

-- State the objectives for the meeting.

Review Current Performance

-- Present your tentative appraisal, secure the employee's opinion, and discuss differences of opinion, if any.

-- Emphasize as much as possible all the employee's positive contributions.

Forward Planning

-- Plan together on how to expand on, improve, train, or in any other way improve on current performance and the work.

-- Discuss the employee's career goals in the Agency and how you might be of assistance.

Closing

-- Summarize.

-- Repeat and reinforce feedback about progress made.

The employee will have an opportunity to respond in writing to you on the tentative rating. Forward any written comments to the reviewing official(s) along with the tentative rating.

IV. USING THE APPRAISAL RESULTS

Performance Awards

Performance awards are based on an employee's rating of record for the current appraisal period. After completing the appraisal, consider whether the employee should receive an award. If so, make a recommendation according to your Agency's time-table.

Managers who are serving in the Performance Management and Recognition System (PMRS) on September 30, the end of the DOL appraisal period, and have received ratings of Fully Successful or above are eligible for an award. However, managers moving into PMRS who received a recent increase in base pay are ineligible for performance awards (ninety day rule). The awards are granted as follows.

-- Outstanding - 2% award mandatory. May award up to 10%. Unusually Outstanding may receive up to 20%.

-- Highly Effective - Award recommended. May award up to 10% of base pay.

-- Fully Successful - Award optional. May award up to 10% of base pay.

Within a pay decision unit at the same grade level, any award granted to employees rated Highly Effective must be less in terms of dollars than any award received by employees rated Outstanding; any award granted to employees rated Fully Successful must be less in terms of dollars than any award received by employees rated Highly Effective.

Employees (GS and prevailing rate) outside the bargaining units and in the NCFLL Bargaining Unit may be granted an award when their performance is Fully Successful or above. An employee who receives a rating of record of Outstanding must receive a performance award and/or a quality step increase. An employee who receives a rating of record of Highly Effective should normally receive a performance award. An employees who receives a rating of Fully Successful may receive a performance award.

The following performance award table is suggested

Rating	Suggested Range Per Cent of Base Pay
Outstanding	2 - 10
Highly Effective	2 - 7
Fully Successful	2 - 4

Within each performance award decision unit at the same grade level, any award for an employee rated Highly Effective should normally be less in terms of dollars than that for an employee rated Outstanding; any award for an employee rated Fully Successful should normally be less than any award for employees rated Highly Effective. Within these parameters, performance awards may vary based on differences in performance as documented in the narrative and element ratings. In addition, if an employee has been promoted within the appraisal year, the Agency may take this into account in determining the amount of the award.

Employees represented by NUCO who have received an Outstanding rating must receive a performance award of at least 2 percent but not more than 10 percent of base pay or a quality step increase (but not both). Awards for Highly Effective and Fully Successful ratings will not exceed 10 percent. Within a performance award decision unit at the same grade level, any award granted to employees rated Highly Effective must be less in terms of dollars than any award received by employees rated Outstanding; any award granted to employees rated Fully Successful must be less in terms of dollars than any award received by employees rated Highly Effective.

Employees in the Local 12 Bargaining Unit may be granted an award when performance of one or more elements significantly exceeds the standards and overall performance is Acceptable or above. The following scale should be used.

General Scale	Average Range
GS 1 - 4	$200 - 400
GS 5 - 8	400 - 600
GS 9 - 12	600 - 900
GS 13 - 15	900 - 1,500

Incentive Awards

Other performance-based awards to reward performance are as follows.

-- A **Quality Step Increase** is an additional within-grade increase given to recognize employees rated Outstanding (or at least Highly Effective if the employee is in Local 12). Employees outside the bargaining units, in NCFLL and in Local 12 may receive both a quality step increase and a performance award; employees in NUCO may receive one or the other.

-- A **Special Act or Service Award** is used to recognize employees for special one-time accomplishments or contributions of a non-recurring nature.

For a complete description of all the DOL awards, consult the DOL Employee Recognition Program Booklet which is available in servicing personnel offices.

Other Rewards

Special assignments, letters of appreciation, promotions, details and training opportunities are additional ways of rewarding performance and increasing job satisfaction.